

Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 EB-07 OPIC-03 AID-05 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
XMB-02 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05
SS-15 STR-04 CEA-01 /081 R

DRAFTED BY EUR/RPE:RLAMANTIA /EUR/EE:SFROMOWITZ:AP
APPROVED BY EUR/EE:CSCHMIDT
EB/IFD/OIA:DGRANT

-----008741 210250Z /72

P 202355Z JUL 77

FM SECSTATE WASHDC

TO AMEMBASSY BUCHAREST PRIORITY

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E.O. 11652: N/A

TAGS: EEWT, EGEN, EINV, RO

SUBJECT: POSSIBLE EXCLUSION OF ROMANIA FROM OPIC PROGRAM

1. IN ACCORDANCE WITH A RECENT POLICY DECISION BY THE ECONOMIC POLICY GROUP(EPG) OPIC INTENDS TO RESTRICT ITS FUTURE OPERATIONS IN THE UPPER-INCOME LDC'S AND TO CONCENTRATE ITS INVESTMENT INCENTIVES AND PROMOTION ACTIVITIES IN THE LOWER-INCOME NATIONS OF THIS GROUP. THESE RESTRICTIONS WOULD NOT APPLY TO MINERAL OR FUEL PROJECTS, AND FURTHERMORE THE EPG DECISION PROVIDES FOR A GENERAL WAIVER FOR COUNTRIES WHERE THE CONTINUATION OF OPIC'S PROGRAMS IS JUDGED TO BE IMPORTANT TO THE NATIONAL INTEREST.

2. OPIC MANAGEMENT PLANS TO PROPOSE AT THE OPIC BOARD MEETING ON AUGUST 2 THAT THE EXCLUDED COUNTRIES BE DEFINED
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AS THOSE WITH PER CAPITA GNP IN EXCESS OF \$1000 IN 1975 DOLLARS AND A FIVE YEAR AVERAGE RATE OF GROWTH IN PER CAPITA GNP OF FIVE PERCENT OR MORE. USING THIS FORMULA, AND BASING ITS COMPUTATIONS ON IMF/WORLD BANK DATA, OPIC WOULD THUS EXCLUDE ROMANIA FROM ITS PROGRAMS.

3. DEPARTMENT IS CURRENTLY CONSIDERING WHICH COUNTRIES

SHOULD BE PROPOSED FOR THE WAIVER BASED ON NATIONAL INTEREST. WHILE OPIC HAS NOT BEEN ACTIVE IN ROMANIA TO DATE, WE RECOGNIZE THAT THERE ARE IMPORTANT ECONOMIC AND POLITICAL CONSIDERATIONS WHICH SHOULD BE TAKEN INTO ACCOUNT IN DECIDING WHETHER OR NOT TO REQUEST A WAIVER FOR ROMANIA. WE THEREFORE REQUEST EMBASSY'S VIEWS ON THIS ISSUE, INCLUDING A BRIEF DESCRIPTION OF OPIC'S OPERATIONS IN ROMANIA AND ANALYSIS OF HOW U.S. INTERESTS WOULD BE AFFECTED BY EITHER SUSPENSION OR CONTINUATION OF THE PROGRAM THERE. THIS ISSUE HAS BEEN DISCUSSED BRIEFLY WITH AMBASSADOR BARNES, WHO SUGGESTS THAT

EMBASSY HOLD OFF FINAL REPLY UNTIL AFTER HIS RETURN. HOWEVER, IN ORDER TO PREPARE FOR AUGUST 2 MEETING, WE WOULD APPRECIATE RESPONSE BY COB JULY 26. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: LESS DEVELOPED COUNTRIES, ECONOMIC ASSISTANCE, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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